

~~SECRET - EYES ONLY~~  
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21 October 1959

MEMORANDUM FOR THE RECORD

SUBJECT: Resume of OCB Luncheon Meeting, 21 October 1959

PRESENT: Mr. Allen, Mr. Dulles, Mr. FitzGerald (ICA),  
Mr. Harr, Mr. Murphy, Mr. Scribner, Mr. Smith

1. Student Exchange

Mr. Harr again asked Mr. Murphy if consideration were being given to the financing of student exchanges in connection with the settlement of the Russian lend-lease account. Mr. Harr indicated that he felt that agreement might be reached with the Russians to finance student exchanges if the costs so incurred were used to offset some of the difference between the Russian and the U. S. positions. Mr. Murphy replied that the idea was interesting and that State was currently engaged in the consideration of the entire problem.

2. Development Loan Fund Policy

Mr. Harr brought up the recent DLF "Buy American" policy statement. He said that he felt that the OCB should have been informed prior to the making of the announcement. He stated that the announcement would have wide repercussions and indicated that he felt that it should have been tempered. Mr. Scribner replied that, though he had not personally handled the matter in Treasury, he was aware that it had been discussed by the DLF board before representatives of most of the agencies concerned and that a draft of the announcement had been considered by State. He stated that he assumed that these procedures constituted appropriate coordination. Mr. FitzGerald indicated his concern in regard to the impact of the statement on ICA matters. If ICA were to operate on a policy similar to the announced DLF policy it would be difficult for ICA to achieve its aims. If they did not follow a similar policy they would be open to Congressional criticism.

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During further discussion of the coordination problem it was indicated that Mr. Saccio, although listed as having participated in the consideration of the announcement, had not been in on the consideration of the final draft.

The luncheon meeting participants agreed that there might have been a failure in achieving appropriate coordination. No decision was reached as to what should be done.

3. Langelles

Mr. Harr asked Murphy if he would give the luncheon group his impressions of the Langelles case. Mr. Murphy stated that he felt that the case arose out of low level mismanagement on the part of the Soviets. He foresaw no long range repercussions of a policy nature.

4. Turkish Prisoners

Mr. Murphy informed the group that the Turkish government would like to get the case of the American military prisoners settled. The case had, however, got into the Turkish courts which made quiet and expeditious settlement difficult.

5. Lao Police

Mr. FitzGerald was asked whether there was delay in the payment of the Lao police. He replied that there was no significant delay on the part of ICA in making funds for police payment available to the Laotians. The timing of some of the payments to the Laotian authorities might be construed as being one or two days late. He indicated that the inefficiencies of the Laotians themselves could account for any major delays.

6. Phoui Trip

Mr. Murphy told the group that the timing of the Prime Minister Phoui's trip was unfortunate. Mr. Murphy noted that the Prime Minister was ill and that his visit to Washington could be explained

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in terms of his poor health and consequent need for treatment at Walter Reed.



ALLEN W. DULLES  
Director

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